

VZCZCXYZ0006
OO RUEHWEB

DE RUEHQT #0117/01 0481635
ZNY CCCCC ZZH
O 171635Z FEB 09
FM AMEMBASSY QUITO
TO RUEHC/SECSTATE WASHDC IMMEDIATE 0032
INFO RUEHBO/AMEMBASSY BOGOTA 7965
RUEHBR/AMEMBASSY BRASILIA 4083
RUEHCV/AMEMBASSY CARACAS 3388
RUEHLP/AMEMBASSY LA PAZ FEB LIMA 3031
RUEHGL/AMCONSUL GUAYAQUIL 4098

C O N F I D E N T I A L QUITO 000117

SIPDIS

E.O. 12958: DECL: 02/06/2024
TAGS: [PGOV](#) [PREL](#) [ENRG](#) [EC](#) [CO](#) [IR](#)
SUBJECT: ANALYSTS OFFER DIVERGENT VIEWS ON POLITICAL SCENE

Classified By: Ambassador Heather Hodges for reason 1.4 (D)

¶1. (C) SUMMARY: The diversity of the Ecuadorian political debate was on display during a breakfast with WHA/AND Director Whitaker. Some analysts saw President Correa staking out the electoral center amidst waning voter interest, while another participant highlighted what he considered successful PAIS primaries. The constitution was either a product of exceptional citizen input or an Executive power grab implemented selectively to undermine government institutions. Correa's approach to the gas subsidy was likewise praised and derided. Whitaker explained the Washington perspective on Ecuador's expanded ties with Iran. End Summary.

¶2. (C) Five political analysts joined a breakfast hosted by the Ambassador February 5 for WHA/AND Director Kevin Whitaker. They were Andean Simon Bolivar University professor Pablo Andrade; San Francisco University of Quito professor Carlos Espinosa; Vistazo magazine general editor Patricia Estupinan de Burbano; state-owned Ecuador TV journalist Xavier Lasso; and Central University professor Rafael Quintero.

CORREA'S ASTUTE ELECTORAL POSITIONING

¶3. (C) Andrade highlighted President Correa's success in defining his position as the center, situated between what Correa called an "infantile left" (such as the indigenous movement, which opposes any mining) and a marginalized right made up of the old political parties. Asked why there were so few indications of the upcoming April 26 elections on view in Quito, he responded that many candidates had waited to register until just before the deadline that day, typical of Ecuador's last minute culture.

¶4. (C) Estupinan attributed the environment to voters' exhaustion after a string of elections. Furthermore, the outcome (Correa winning the presidency) was not in doubt. Quintero countered that many voters did show interest in the Proud and Sovereign Fatherland (PAIS) movement primary elections. He called it unfair to criticize the primaries which, although not perfect, had problems in only 50 of 4000 polling sites. Quintero pointed out that the PAIS primary was the first ever in Ecuador open to all voters.

THE CONSTITUTION IN BLACK AND WHITE

¶5. (C) Quintero, who was a Constituent Assembly advisor, emphasized the degree of citizen input in the process leading to the new constitution, with thousands of groups flocking to Montecristi and millions of individuals visiting its website. He believed the constitution would redistribute power in important ways, citing as an example that rural parish ("parroquia") councils would now enjoy real responsibilities and budgets and greater rural representation.

¶6. (C) Andrade espoused a starkly different view, namely that the constitution centralized power in the Executive. He believed Correa was implementing select constitutional provisions when he found it expedient and ignoring the others. There was also criticism of the inclusion of the electromagnetic spectrum (meaning radio and television frequencies) in a section of the constitution on natural resources, which implied a large percentage of earnings must be paid to the state.

CORREA POLITICAL PROJECT

¶7. (C) Andrade called Correa the new "caudillo," comparing his behavior to past presidents on the right. He said Correa was using the Legislative and Oversight Commission to ram through important legislation, such as the mining and judicial laws. Andrade considered the result of Correa's policies to be undermining government institutions.

¶8. (C) Lasso stressed that decades of corrupt governments led Ecuadorians to seek change under Correa. Quintero described past presidents as reversing their positions immediately after election, while Correa broke from this mold. Quintero, a member of the Socialist party, said Correa had made socialism acceptable rather than something Ecuadorians recoiled from. Lasso credited Correa for making "revolution" acceptable as well, emphasizing that it was a people's revolution, not a violent one.

ECONOMIC PRAGMATISM

¶9. (C) Andrade considered Correa often pragmatic, particularly in the economic arena. Lasso said Correa knew better than to try to impose a "paquetazo" (harsh measures to balance the budget) in response to the current financial crisis. He recounted how for many years he bought gasoline at state-owned PetroComercial where prices were lower. However, Correa, knowing the lower prices reflected not greater efficiency but a higher government subsidy, decided this had to stop.

¶10. (C) Lasso also credited the Correa government for its approach to the natural gas subsidy. Rather than hurt the poor by increasing the price of a gas cylinder from \$1.60 to \$9.00, the GOE was moving to hydroelectric power and providing electric stoves to the poor. Then if subsidies were cut, it would be the well-off who had to rationalize expenses. Estupinan argued that gas subsidies encouraged excess consumption. All participants recognized that cutting subsidies before the election would be instant political suicide.

¶11. (C) Lasso criticized the private media for not reporting on issues like these. Estupinan responded (rather weakly) that, "people don't want to read about it."

FOREIGN POLICY PERSPECTIVES

¶12. (C) The Ambassador asked whether Correa's trips to Iran and Cuba were designed to woo voters. Espinosa replied that voters did not care about foreign policy. Andrade suggested that Correa's "personal ideology" was more evident overseas.

¶13. (C) WHA/AND Director Whitaker conveyed a sense of the Washington environment, where many issues crowded the policy agenda, and impressions of foreign countries tended to be single-faceted. What stuck out in many minds about Ecuador was that its president visited Iran and endorsed its nuclear program. Iran is a third-rail issue across the U.S. political spectrum. Some participants argued it was unfair that Brazil could visit and trade with Iran without opprobrium, while small Ecuador could not. Lasso quoted President Obama that the U.S. was willing to extend a hand if Iran unclenched its fist. Whitaker clarified that Obama's statement was aimed at all countries, but agreed it applied to Iran.

¶14. (C) Andrade termed Correa's foreign policy as relatively pragmatic. He considered the continued absence of diplomatic relations with Colombia the exception, calling it senseless but unlikely to change while Correa and Uribe were in power. Andrade did not believe that Ecuadorians wanted to see their government fight with the U.S. Espinosa said that the GOE sought to revitalize ties with the U.S. and other traditional partners.

¶15. (C) Espinosa decried the fact that none of Correa's three foreign ministers was a foreign policy professional. Andrade considered Falconi's appointment positive since he was close to Correa, Henry Kissinger's key criterion for effectiveness in such a position.

HODGES